

10-13-1972

City Club of Portland Bulletin vol. 53, no. 20 (1972-10-13)

City Club of Portland (Portland, Or.)

Let us know how access to this document benefits you.

Follow this and additional works at: http://pdxscholar.library.pdx.edu/oscdl_cityclub



Part of the [Urban Studies Commons](#), and the [Urban Studies and Planning Commons](#)

Recommended Citation

City Club of Portland (Portland, Or.), "City Club of Portland Bulletin vol. 53, no. 20 (1972-10-13)" (1972). *City Club of Portland*. Paper 274.

http://pdxscholar.library.pdx.edu/oscdl_cityclub/274

This Bulletin is brought to you for free and open access. It has been accepted for inclusion in City Club of Portland by an authorized administrator of PDXScholar. For more information, please contact pdxscholar@pdx.edu.



PORTLAND <i>City Club</i> BULLETIN	Mayfair Room • Benson Hotel Friday . . . 12:15 p.m. <hr/> Portland, Oregon • October 13, 1972 • Vol. 53, No. 20
--	--

THE SPEAKER:**HERB WEGNER**

Managing Director,
Credit Union National Association, Inc.

HIS TOPIC:***The Last of the Great People's Organizations***

Although credit unions have been in existence since 1849, their impact on the financial scene hasn't been realized fully until the last few years.

During 1971, 23,460 credit unions in the United States had more than 24 million members. The credit unions' combined assets now total more than \$21 billion dollars, nearly triple that of 10 years ago. Credit unions are the fourth largest of U. S. institutions granting credit. (Banks, finance companies and retail outlets are the first three.)

In Oregon there are 267 active credit unions, with assets of approximately 230 million, and comprising the third largest financial organization in this state.

Discussing this financial phenomenon before the City Club is Herb Wegner who simultaneously is managing director of the Credit Union National Association, Inc., (CUNA), the World Council of Credit Unions and CUNA Supply Cooperative. He was originally appointed head of CUNA in August, 1971, after several years as regional director of the Latin American Region of the World Council of Credit Unions, an operation covering 17 countries and 3,000 credit unions. He has also served as a special projects officer for the Peace Corps, including developing regional small industry projects in Latin America. He has been an international relations officer for the U. S. Agency for International Development in Ecuador and in Washington, D. C. His degree from San Francisco State College is in political science and international relations.

Also: Reports on State Measures No. 1 (Eliminates Location Requirements for State Institutions) and County Measure No. 11 (County Utility Tax Ordinance for Library), printed herein for presentation, discussion and action on October 13th.

*"To inform its members and the community in public matters and to
arouse in them a realization of the obligations of citizenship."*

CITY CLUB PROGRAMS BROADCAST THREE WAYS

The City Club luncheon program speakers and discussion are broadcast, in full, over three different stations at three different times:

KOAP-FM (91.5 meg)
Each Friday (approximately
12:40-1:30)

KOIN-FM (101.1 meg)
Each Friday at approximately
10:00 p.m.

KBPS (1450 KC)
Each Tuesday at 7:00 p.m.

PORTLAND CITY CLUB BULLETIN

Published each Friday by the
CITY CLUB OF PORTLAND
505 Woodlark Bldg. Portland, Oregon 97205
Phone 228-7231

ELLAMAE W. NAYLOR, Editor
and Executive Secretary
MORRIS S. ISSEKS, Archivist

Second Class Postage Paid at Portland, Ore.
Subscription rates \$6.00 per year included in
annual dues.

OFFICERS OF THE BOARD

Sidney I. Lezak President
Donald J. Sterling, Jr. President-Elect
Robert W. McMenamin First Vice President
John A. Mills Second Vice President
James A. Larpenteur, Jr. Secretary
Joe D. Kershner Treasurer

GOVERNORS OF THE CLUB

Jack R. Brown Neil Farnham
A. M. Burdge Emerson Hoogstraet
Don Chapman James S. Leigh

RESEARCH BOARD

Robert W. McMenamin, Chairman
Leigh D. Stephenson, Vice Chairman
Arno Reifenberg, Secretary
Forrest Blood Eugene L. Pfeifer
William A. Comrie Peter A. Plumridge
Michael L. Emmons Lloyd B. Williams
Burton W. Onstine
Stanton W. Allison, Research Editor

PROJECT PLANNING BOARD

John A. Mills, Chairman
Clifford N. Carlsen, Jr. E. Shelton Hill
Edmund Hayes, Jr. A. Thomas Niebergall

CITY CLUB DUES: Senior, members over 65 with 35 years membership, or over 70 with 15 years membership, \$5.00 per year; **Regular**, age 28 and over, \$36.00 per year; **Junior**, ages 23 through 27, \$18.00 per year; **Student**, ages 18 through 22, \$6.00 per year; **Non-Resident**, \$12.00 per year; **Sustaining**, those who contribute \$10.00 or more per year over and above the dues in their category for the Portland City Club Foundation, Inc. The regular FRIDAY LUNCHEON MEETINGS are held in the Mayfair Room of the Benson Hotel, unless otherwise indicated.



ELECTED TO MEMBERSHIP

Roger E. Doherty, Sales Representative, Manor Sales Co. Sponsored by Vern Cook.

Roger G. Larson, executive Vice President, Emanuel Hospital. Sponsored by Paul R. Hanson.

Dawson C. Smith, Retired. (Formerly Senior Executive and Operations Officer, Central Intelligence Agency). Sponsored by John Eliot Allen.

STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION (Act of August 12, 1970: Section 3685, Title 39, United States Code).

1. Title of Publication: Portland City Club Bulletin.
2. Date of Filing: October 2, 1972.
3. Frequency of Issue: Weekly.
4. Location of known office of publication: 813 S.W. Alder, Room 505, Portland, OR 97205.
5. Location of the headquarters or general business offices of the publishers: same address.
6. Names and addresses of publisher, editor, and managing editor; Publisher, The City Club of Portland, same address; Editor, Ellamae W. Naylor, same address; Managing Editor, none.
7. Owner: The City Club of Portland, same address.
8. Known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities: none.
9. For optional completion by publishers mailing at the regular rates (Section 132. 121, Postal Service Manual) 39 U.S.C. 3626 provides in pertinent part: "No person who would have been entitled to mail matter under former section 4359 of this title shall mail such matter at the rates provided under this subsection unless he files annually with the Postal Service a written request for permission to mail matter at such rates." In accordance with the provision of this statute, I hereby request permission to mail the publication named in item 1 at the reduced postage rates presently authorized by 39 U.S.C. 3626. (Signed) Ellamae W. Naylor, Editor.
10. For completion by nonprofit organizations authorized to mail at special rates (Section 132.122, Postal Manual) The purpose, function, and nonprofit status of this organization and the exempt status for Federal Income tax purposes have not changed during preceding 12 months.
11. Extent and nature of circulation.

	Average Number Copies Each Issue During Preceding 12 Months	Actual Number of Copies of Single Issue Published Nearest to Filing Date
A. Total Number Copies Printed (Net Press Run)	1800	1800
B. Paid Circulation		
1. Sales through dealers and car- riers, street vendors and coun- ter sales	0	0
2. Mail subscriptions	1403	1403
C. Total paid circulation	1403	1403
D. Free Distribution by mail, carrier or other means		
1. Samples, complimentary, and other free copies	177	204
2. Copies distributed to news agents, but not sold	0	0
E. Total distribution (Sum of C and D)	1580	1607
F. Office Use, Left-over, Unaccount- ed, Spoiled After Printing	220	193
I certify that the statements made by me above are correct and complete. (Signed) Ellamae W. Naylor, Editor.		
G. Total (Sum of E & F—should equal net press run shown in A)	1800	1800

BE KIND TO PEOPLE; TAKE A FRIEND TO LUNCH

Members are reminded that they may bring guests (either male or female) to any program meeting unless the Bulletin indicates "Members Only".

**REPORT
ON
ELIMINATES LOCATION REQUIREMENTS
FOR STATE INSTITUTIONS**

(State Measure No. 1)

Purpose: This measure repeals section 3 of Article XIV of the Oregon Constitution which provides that no public institution of the state (except those established before November 4, 1958) may be located outside Marion County unless so ordered by an Act of the Legislature which is ratified by vote of the people at the following general election.

To the Board of Governors,
The City Club of Portland:

I. INTRODUCTION

The 1971 Oregon Legislative Assembly referred to a vote of the people Senate Joint Resolution 9 (SJR 9), which is State Ballot Measure No. 1, titled "Eliminates Location Requirements for State Institutions". The measure would repeal Section 3 of Article XIV of the Constitution of the State of Oregon, which provides that no public institution of the State (except those established before November 4, 1958) may be located outside Marion County unless so ordered by Act of the Legislature which is ratified by vote of the people at the following general election.

Repeal of the constitutional provision will allow the Legislature to locate state institutions anywhere within the State of Oregon.

II. SCOPE OF RESEARCH

The Committee reviewed the following reports:

1. *Portland City Club Bulletin*, Vol. 39, No. 17, September 26, 1958, "Referendum which Authorizes Different Use of State Institutions (State Measure No. 8)"
2. *Portland City Club Bulletin*, Vol. 51, No. 18, October 2, 1970, "Allows Penal Institutions Anywhere in Oregon (State Measure No. 8)"

The Committee read parts of the following:

1. C. Carey, *History of Oregon*, (Chicago-Portland 1922).
2. C. Carey, *The Oregon Constitution*, (Salem, Oregon 1926).

The Committee reviewed the following case and opinions of the Oregon Attorney General:

State v. Metschan, 32 Or 372, 46 p. 791, 53 P. 1071 (1896);

12 Op Atty Gen 136;
12 Op Atty Gen 266;
23 Op Atty Gen 145;
23 Op Atty Gen 155;
26 Op Atty Gen 66;
26 Op Atty Gen 89;
26 Op Atty Gen 105;
28 Op Atty Gen 77;
28 Op Atty Gen 274;
29 Op Atty Gen 251;
30 Op Atty Gen 45;
33 Op Atty Gen 577.

The Committee or members thereof interviewed, telephoned or corresponded with the following persons:

1. Victor Atiyeh, Oregon State Senator, Vice-Chairman of the Senate Human Resources Committee.

2. Wallace P. Carson, Jr., Oregon State Senator.
3. Edward N. Fadeley, Oregon State Senator.
4. Stanley N. Hammer, West Salem businessman; past president, Salem Chamber of Commerce.
5. William Mainwaring, Editor of the Capital Journal and President, Salem Chamber of Commerce.
6. Henry C. Mattsen, Chairman of the Board of Marion County Commissioners.
7. Vern Miller, M.D., Mayor of the City of Salem.

III. BACKGROUND

During the period preceding Oregon statehood, numerous controversies raged over the location of the Oregon Territorial seat of government, most often between Salem and Oregon City politicians, thereby augmenting the natural concern of the Constitutional Convention of 1857 to establish a firm and lasting seat of government.¹ After adoption of provisions to prohibit contracting of a debt for building a statehouse until 1865 and to prohibit removal of the seat of government, once located, for a term of 20 years, Matthew Deady, President of the Convention, made a motion to require all state institutions to be located at the seat of government.² These provisions became the substance of Sections 2 and 3 of Article XIV of the original Constitution. They were inspired by the desire to avoid quarreling and uncertainty over the location of the seat of government. One delegate argued that history had shown that with institutions scattered about "fire had destroyed one, and villainy and fraud consumed a large portion of the funds of another". Another delegation stated that separation of the statehouse and the university in 1850 had caused "all the trading and trouble since". Mr. Deady said the evils to be avoided were improper influence and agitation.³ Section 3 of Article XIV provided:

The seat of Government when established as provided in section one, shall not be removed for the term of twenty years from the time of such establishment; nor in any other manner than as provided in the first section, of this article, *provided* that all public institutions of the State hereafter provided for by the Legislative Assembly shall be located at the seat of Government.

Once Salem was chosen as the capital city, the requirement that all public institutions be located at the seat of government became known as the "Marion County Clause".

In 1907 the Legislative Assembly proposed an amendment to Section 3 which was adopted by the people on June 1, 1908. Section 3 was amended to provide:

All the public institutions of the State, not located elsewhere prior to January 1, 1907, shall be located in the county where the seat of government is, excepting when otherwise ordered by an Act of the Legislative Assembly and is ratified by the electors of the State at the next general election following such Act by a majority of all the votes cast on the question of whether or not such Act shall be ratified.

The last change made to Article XIV came in 1958 when the people adopted a Senate Joint Resolution repealing Section 1 and 3 of Article XIV and enacting in lieu thereof the present Sections 1 and 3. A City Club report on this measure stated:

The purpose of this measure was to eliminate some of the obsolete language of Article XIV of the Constitution, and empower the Legislature, after the passage of a reasonably safe period of time, to alter the use or purpose of any state institution located outside of Marion County, without

¹C. Carey, *History of Oregon*, (Chicago-Portland 1922), 497-541.

²C. Carey, *The Oregon Constitution*, (Salem, Oregon 1926) 350-351.

³*Ibid*, p. 351.

the expense and difficulty of ratification by the voters at the next general election. At the same time, the safeguard of requiring ratification on the location of any new institution would be retained.⁴

Article XIV of the Oregon Constitution now provides:

Section 1. Seat of government. The permanent seat of government for the state shall be Marion County.

Section 2. Erection of state house prior to 1865. No tax shall be levied, money of the State expended, or debt contracted for the erection of a *State House* prior to the year eighteen hundred and sixty five.

Section 3. Location and use of state institutions. (1) All public institutions of this state, other than public institutions located outside Marion County prior to November 1, 1958, shall be located in Marion County; except that an Act of the Legislative Assembly which is ratified by a majority of the votes cast thereon at the next general election held after passage of such Act may order the location of any public institution to be outside Marion County.

(2) The Legislative Assembly may alter, reduce, enlarge or terminate the use or purpose of any public institution located outside Marion County at any time after 10 years from the date of the general election at which the location of the institution outside Marion County was ordered.

Although the Marion County Clause has survived through the amendments and repeals, its scope was reduced in 1970, when the electorate ratified Senate Bill 347 which provided:

The Corrections Division may establish and operate branches of existing state penal and correctional institutions outside Marion County. The branches may be located at places in the state that the board considers suitable for them. The branches shall be used for the care and custody of inmates assigned thereto and shall be operated to facilitate the return of the inmates to society.⁵

Senate Bill 347 was advocated by the Corrections Division which desired to establish and operate rehabilitation-release programs (halfway houses) in various locations in Oregon.⁶

The Division of Mental Health, which is the principal department now affected by the Marion County Clause, proposed to the Senate Human Resources Committee that the Marion County Clause be abolished. The Committee introduced the Senate Joint Resolution and the Assembly voted as follows: 30 for and none against in the Senate; 59 for, none against and one excused in the House.

The basic question is whether the Marion County Clause is a safeguard for good government or a hindrance to efficient, effective government planning.

IV. ARGUMENTS IN FAVOR OF THE MEASURE

1. The Marion County Clause is a hindrance to efficient, effective government planning. Since the people must ratify the Legislature's decisions on location of institutions outside of Marion County and since the Legislature meets only every other year, institutional planning is fragmented and generally limited to two-year phases.

2. No rational reason exists for the Marion County Clause to apply to Mental Health Division institutions but not to branches of existing Corrections Division institutions.

3. State institutions should exist where they can most efficiently provide the most services to the people of Oregon.

⁴*Portland City Club Bulletin*, Vol. 39, No. 17, September 26, 1958, "Referendum which Authorizes Different Use of State Institutions (State Measure No. 8)"

⁵Senate Bill 347 is codified in ORS 421.805.

⁶*Portland City Club Bulletin*, Vol. 51, No. 18, October 2, 1970, "Allows Penal Institutions Anywhere in Oregon (State Measure No. 8)"

4. Good planning for state institutions requires knowledge of the applicable problems, resources and alternatives. Effective representative democracy does not demand that the electorate make complicated technical decisions which are better made by our elected officials and public servants. Ballots are already crowded with unnecessary measures.

5. Revenues to build and operate state institutions come in part from state taxes which are collected from Oregonians throughout the State. Fairness requires that state spending, like taxation, be spread throughout the State. Conversely, the burdens of state institutions, such as the county cost of fire and police protection for the institution, county court costs for *habeas corpus* hearings and post-conviction relief hearings, fires, riots, and personnel morale problems, should be spread around the State.

6. If the Marion County Clause were abolished, the State would be in a better position to accept gifts or take advantage of real estate bargains on the market which might economically be turned into needed State institutions.

V. ARGUMENTS AGAINST THE MEASURE

1. The present system is working. Why change it? Perhaps without the Marion County Clause Salem would not be the cultural, educational and political community that it is today.

2. Centralization of institutions results in efficiency of operation.

3. State institutions should be located at the seat of government where the people in power, the governor, legislature, and administrators, due to their proximity to the institutions cannot ignore the problems caused within and by the institutions.

4. Elimination of the Marion County Clause might result in log-rolling, vote-trading and over-building of State institutions. Institutions might be located in economically depressed areas where services are not needed.

5. The Marion County Clause allows the people of the State to participate in the location of their state institutions and gives the people a chance to reject arbitrary or unwise legislative action.

VI. DISCUSSION

Section I of Article XIV, which is not affected by the measure, provides that the permanent seat of government for the State shall be Marion County. Most people interviewed thought that elimination of Section 3, the Marion County Clause, would have little or no effect upon Marion County as the seat of government. The major institutions, such as the Oregon State Hospital, the Oregon State Penitentiary, Oregon Fairview Home, and the Oregon State Correctional Institution, are not likely to be moved, with or without the Marion County Clause. The original purpose of the Marion County Clause—to help establish a firm and lasting seat of government — has been accomplished. Elimination of the Marion County Clause should not affect the permanence of our seat of government in Marion County. Salem will remain the political center of the State and an important cultural community.

Consequently the primary issue is whether the secondary purposes and side benefits of the Marion County Clause outweigh the advantages of repealing the clause.

Several people interviewed expressed their beliefs that centralization of institutions promoted efficient operation of state institutions. Such statements are difficult to analyze. Certainly centralization can provide ease of administration and economies of size, such as volume buying of supplies and equipment, but on the other hand, centralization requires that the people needing the services of the institution or needing confinement in the institution must be transported to the institution. Some institutions might provide better services and treatment with greater economy by going to the people, where the problems exist. For instance,

the Mental Health Division desires to establish community mental health facilities, specializing in out-patient care and community education and counseling. If such services are adequate substitutes for commitment to the Oregon State Hospital, or prevent illnesses requiring commitment, the economics may be on the side of decentralization. The same arguments apply to regional correctional facilities and youth institutions and services.⁷ Regional correctional facilities could enhance opportunities for work-release programs, maintain community and family ties, and provide alternatives to incarceration.

Some of the constitutional delegates in 1857 expressed the hope that the Marion County Clause would prevent log-rolling, vote-trading and over-building of state institutions. The Marion County Clause in the past may have limited some of these evils; however, considering the economic realities of the state finances and budget procedures for funding of institutions, the likelihood that elimination of the Marion County Clause will contribute to an increase of these evils is remote. Oregon governmental departments have difficulty enough in funding needed projects without having to fund superfluous institutions. In view of the Legislature's unanimous approval of the measure, it does not appear that the Legislature considers these possible evils to be a major issue.

Your Committee found no organized opposition to the measure.

VII. CONCLUSIONS

Your Committee believes that the arguments for repealing the Marion County Clause strongly outweigh the arguments against the measure. Your Committee further believes that the Marion County Clause does obstruct good planning and that elimination of the clause will have little or no effect upon Marion County as our seat of government. We have confidence that our legislators will continue their scrutiny of the need for and the funding of state institutions.

VIII. RECOMMENDATION

Your Committee therefore recommends that The City Club of Portland go on record as approving the passage of this measure to repeal Section 3 of Article XIV of the Oregon Constitution and urges a vote of "Yes" on State Measure No. 1.

Respectfully submitted,

Leonard A. DeKlotz

Baird M. French

Henry N. Jinings

Thomas A. Marinkovich

Walter B. Samuelson

John I. Sell

Robert T. Jett, *Chairman*

Approved by the Research Board September 21, 1972 for transmittal to the Board of Governors.

Received by the Board of Governors September 25, 1972 and ordered printed and distributed to the membership for consideration and action.

⁷The exception for corrections division institutions adopted in 1970 applies only to branches of existing state penal and correctional institutions. Regional correctional institutions might take the form of new institutions rather than branches of existing institutions.

REPORT

ON

**COUNTY UTILITY TAX ORDINANCE
FOR LIBRARY**

(Multnomah County Measure No. 11)

Purpose: County Ordinance No. 58, adopted July 27, 1972, imposes an excise tax upon every person or company, except municipalities, providing electrical energy, natural gas, telephone or telegraph services in Multnomah County. The tax is one percent (1%) of gross revenues and shall be expended solely for library purposes.

To the Board of Governors,
The City Club of Portland:

I. BACKGROUND

The Library Association of Portland is a private non-profit corporation founded in 1863 now serving all of Multnomah County. The present library system consists of the central library, 17 branches, and 4 "Bookmobiles" which primarily serve public housing projects, retirement homes and rural areas. The Association is governed by ten board members serving without compensation. The Library currently has approximately 300 full and part time employees, a reduction from 420 persons employed during the year ended June 30, 1972. The system has no long-term indebtedness. Your Committee was informed that the Library has approximately \$1,000,000 in endowments from which it realizes roughly \$60,000 annually. Principal and income are largely restricted to donor-specified programs. An additional \$100,000 is realized annually from library operations.

Your Committee was informed that the County had, for at least eleven years, provided a Library budget equal to the previous year plus a six percent increase. Recent Library funding by the County, as shown in the 1972-73 budget summary, has been as follows:

1969-70	\$2,556,000
1970-71	2,709,000
1971-72	2,872,000
1972-73	2,072,000

The Library is facing a proposed loss of revenue of \$800,000 from the prior year's budget and of approximately \$1,000,000 after giving consideration to the normal six percent increment. The response of the Library to this reduction has been to decrease personnel, reduce hours of operation and refrain from opening a newly completed branch. The system is currently operating, however, in anticipation of the same budget level of support from the County and will soon have to curtail operations drastically if the ordinance fails or other sources of revenue do not materialize.

The Multnomah County Commission adopted Ordinance No. 58 on July 27, 1972. The ordinance would raise \$800,000 in the balance of the fiscal year and approximately \$1,200,000 in future fiscal years. A citizens committee headed by a candidate for County Commissioner filed a referral petition on August 3, and the County Commissioners, anticipating a successful referral drive, adopted Ordinance No. 60 on August 17, 1972, which placed this measure on the ballot.

II. ARGUMENTS FOR AND OPPOSED

The following arguments are offered in favor of the ordinance:

1. The library system is an essential public service at its present level of operation, and this measure is the only apparent source of revenue immediately available to support this level.
2. The collection and administration of the tax would involve a minimum cost to the County.
3. The County is as much entitled to impose a tax on utilities as is the city which for many years has imposed a three percent "Franchise Fee" on utilities.
4. The burden of the tax falls upon the entire population of the County.
5. The current scale of library operations relies on the passage of this ordinance.

The following arguments are presented in opposition to the ordinance:

1. The ordinance provides for a selective sales tax on utilities.
2. The ordinance is discriminatory in that it does not tax all sources of energy; oil and other fuels are not subject to the tax.
3. It is poor tax policy to earmark funds for specific agencies. The proposed tax is essentially designed to help balance the County budget.
4. It is possible that a substantial part of the funds required for the current level of operation of the library may be available from other sources, if this ordinance should fail. Federal revenue sharing, or revision of the County budget, are potential sources of funds for the Library.
5. The ordinance does not clearly state that the tax will be billed to the consumer. The Public Utility Commissioner has ruled that the tax must be separately billed. This ruling is being reviewed by the Attorney General and may be referred to the courts, creating uncertainty as to whether the consumer or the utilities will pay the tax in the first instance.
6. The ordinance would impose a collection cost upon the utilities which will ultimately be passed on to all consumers in the state. The October 1, 1972 effective date will not, as a practical matter, enable the utilities to bill the consumers for the first taxes due under the ordinance.
7. Since the Library will continue to be dependent upon support from the County's general fund, passage of this ordinance will not relieve the Library from dependence on the County Commissioners.

III. DISCUSSION AND CONCLUSION

Your Committee does not purport to determine the level at which the County Library should function. It accepts the argument that the maintenance of library services at their present level is necessary for the continued well-being of the community. Multnomah County has, at present, an excellent library system, and your Committee is concerned that the present financial dilemma of the County may result in a reduction in the level and quality of library services.

The Library, although administered by the Library Association of Portland, is currently operated and funded as a free public library through county support. This method of financing is an attempt to create a reasonably equitable distribution of the tax burden among all residents of the County.

James Burghardt, Librarian, informed the Committee that the Library Association could operate at the current level through fiscal year 1972-73, only if the 1972-73 budget of \$2,072,000 were restored to the 1971-72 level of \$2,872,000. In anticipation of budget-cutting, the library administration has already taken the following steps:

- (1) provided no salary increases for any library employees (Library employees are not County employees);
- (2) not operated or stocked any branch libraries not functioning in fiscal 1971-72, and

- (3) charged an annual user's fee for non-residents of Multnomah County (non-residents have had the same library privileges as residents).

The present authorized budget for the Library (\$2,072,000—a reduction of \$800,000 from last year) will require significant reductions in almost every type of service the Library provides—including shortening of hours and closing of some branch libraries.

The Committee understands that the County initiated the Utility Tax Ordinance in order to balance its 1972-73 budget. The need for additional general fund revenue arose from factors such as:

- (1) the County has contracted with its employees for a 7 percent annual increase in salary, while at the same time being limited by the Constitution to a 6 percent increase in property tax revenues;
- (2) the County had anticipated revenue from automobile license fees under a measure which was rejected by the voters in the May, 1972 election, and
- (3) the County had anticipated additional revenue from a business license tax which was not adopted.

It is significant that the County Commissioners, in writing the original ordinance, may not have anticipated that the tax measure would be put to the voters, and fully expected that the ordinance would provide for adequate funding of the Library. The Committee believes that this indicates that the Commissioners desire a continuation of the present level of Library services. The Committee is, therefore, hopeful that, should the measure fail at the polls, the Commissioners will reconsider their current budget and reinstate at least a portion of the funds cut from the Library's budget.

The proposed tax levy would raise only approximately one-third of the total Library budget; the remaining balance would continue to be allocated from the County general fund. In the event of future budget crises, the County might be tempted to underwrite additional portions of the Library budget by passing ordinances to increase the rate of this utility tax. This would result only partially in more financial support for the Library, and would result in providing more money for other services funded through the County's general fund.

The Committee recognizes the unfairness of not taxing the users of all forms of energy equally.

Although the proposed utility tax would continue the present philosophy of funding the Library by taxing the general county population, your Committee believes that selective sales taxes on basic and necessary services are not in the best interests of the public as a long-term solution to providing adequate financial support for governmental services.

IV. RECOMMENDATION

Your Committee therefore recommends that the City Club of Portland go on record as opposing the proposed ordinance and urges a vote of "No" on Multnomah County Ballot Measure No. 11.

Respectfully submitted,
Spencer M. Ehrman
Alan M. Gaylord
Stephan W. Jessen
Kenneth Kraemer
John W. Russell
Thomas Wood
Dean Janney, *Chairman*

Approved by the Research Board, Sept. 26, 1972, for transmittal to the Board of Governors.
Received by the Board of Governors, Oct. 2, 1972, and ordered printed for presentation to the membership for discussion and action.

APPENDIX

The Committee interviewed the following individuals, consulted the following sources:

George Annala, Manager, Oregon Tax Research

Larry Aylsworth, Commissioner, Multnomah County

Ed Bolin, Attorney, Northwest Natural Gas Company

James Burghardt, Librarian, Library Association of Portland

Don Clark, Commissioner, Multnomah County

Mrs. Robert (Ruth) Hocks, Sponsor of the Referendum Petition

Loren Kramer, Director, Department of Administrative Services and Budget
Director, Multnomah County

Eugene Pfeifer, Pacific Northwest Bell Telephone Company

Marian Rushing, City Attorney, City of Portland.

The *Oregonian*, various articles

Oregon Journal, various articles

**JAMES S. LEIGH
ELECTED TO CITY CLUB
BOARD OF GOVERNORS**

At a special election held on Friday, October 6, 1972, James S. Leigh, attorney and partner in the law firm of Blore, Klarquist, Sparkman, Campbell and Leigh, patent attorneys, was elected a governor of the City Club for the remainder of the 1972-1973 fiscal year. The vacancy was created by the recent resignation of Walter C. Reynolds, M.D.

The unopposed candidate for the position had been nominated by the City Club Nominations Committee, of which Stanton W. Allison is chairman.

**COMMITTEE REPORTS
ON REMAINDER OF
MEASURES COMPLETED**

City Club committee reports on the eleven measures proposed to voters on the general election ballot on November 7, 1972 are all written and in various stages of production.

Three have already been acted upon by the membership: Measure No. 4, Change State Constitution Provision Regarding Religion ("No"); Measure No. 8, Changes Succession to Office of Governor ("Yes"), and Measure No. 9, Prohibits Property Tax for School Operation ("No").

Published herein are reports on Measures No. 1 and No. 11.

In production are completed reports on the following: Measure No. 2, Qualifications for Sheriff Set by Legislature; Measure No. 3, Amends County Purchase and Lease Limitations; Measure No. 5, Minimum Jury Size of Six Members; Measure No. 6, Broadens Eligibility for Veterans' Loans; Measure No. 7, Repeals Governors Retirement Act, and Measure No. 10, Documentary Stamp Tax Ordinance.

The eleven measures include six state measures referred by the 1971 Legislature, three state measures placed on the ballot by initiative action (No. 7, 8 and 9) and two Multnomah County measures, No. 10 and No. 11.

A recap of committee recommendations and Club action on the 11 proposals will be printed in chart form in the November 3rd issue of the *Bulletin* which appears just prior to the election date.

**MEMBERSHIP SURVEY
IN PRODUCTION**

The pending survey of the entire membership to indicate to the Board of Governors whether or not a fourth effort should be made to amend the Club's constitution to permit women into the membership is in the process of preparation for first class mailing to all members.

The survey will be sent not only to members in good standing but members whose resignations are on file, or who have not yet paid their dues, the Board has determined. However, if a vote on the issue is to be scheduled, only members in paid status will be permitted so to do.

Members delinquent in dues may still avoid suspension of their memberships by sending in their dues checks. The policy of suspension 90 days from billing date of June 1 each year has been extended temporarily by the Board until the survey is completed. Some members, under the impression that non-payment of dues indicated their intention to resign, are subject to suspension. The Board can act on resignations only upon written instructions from the member himself, except in instances of severe illness or death. This policy is for the protection of the member.

A member who is suspended must pay the entire amount of dues showed owing on his account before he can be reinstated.

A City Club membership is the personal membership of the applicant himself and is not transferrable by his firm to another representative.

**ADDRESS, PHONE CHANGES
REQUESTED FOR RECORDS**

Members are urged to keep the City Club staff posted on any changes in home or business phone or address, as well as occupation, so that the membership punch-card system can be as up to date as possible. Phone changes to 228-7231.

DO YOU HAVE A HISTORY?

Copies of the City Club's Golden Anniversary history, *The Conscience of a City* (1966) are available from the Club office. Price of the handsome, illustrated hardcover book is \$4.00.